

UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION

Financial Statements
For the Years Ended June 30, 2010 and 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/23/11



UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION
JUNE 30, 2010 AND 2009

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INDEPENDENT AUDITORS' REPORT

Board of Directors

University of Louisiana at Monroe Alumni Association

Monroe, Louisiana

We have audited the accompanying statements of financial position of the University of Louisiana at Monroe Alumni Association as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University of Louisiana at Monroe Alumni Association as of June 30, 2010 and 2009, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
December 10, 2010

UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION
STATEMENTS OF FINANCIAL POSITION

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 22,166	\$ 24,032
Investments	343,730	267,779
Accounts Receivable	-	-
Property and Equipment, Net	-	117
Art and Collectibles	<u>7,450</u>	<u>7,450</u>
<u>TOTAL ASSETS</u>	<u>\$ 373,346</u>	<u>\$ 299,378</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accounts Payable	\$ 13,072	\$ 7,962
<u>Net Assets</u>		
Unrestricted	143,702	116,604
Temporary Restricted	22,576	12,978
Permanently Restricted	50,060	42,041
Board Designated Endowment	<u>143,936</u>	<u>119,793</u>
Total Net Assets	<u>360,274</u>	<u>291,416</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 373,346</u>	<u>\$ 299,378</u>

The accompanying notes are an integral part of these financial statements.

UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION
STATEMENTS OF ACTIVITIES

	Years Ended June 30.	
	2010	2009
<u>Changes in Unrestricted Net Assets</u>		
Revenues and Gains:		
Contributions	\$ 5,120	\$ 2,377
Alumni Dues	53,730	60,655
Life Memberships	8,800	13,250
Student Fees	15,004	13,863
Special Events	8,025	11,173
Alumni Credit Card Royalty	45,000	45,000
Miscellaneous Royalties	1,350	1,110
Chapter Development	19,771	23,661
Interest	4,605	4,367
Investment Gain (Loss)	13,224	(37,215)
Non-Cash Contributions	310	-
Miscellaneous	1,535	1,901
Satisfaction of Program Restrictions	110,804	125,254
Total Unrestricted Revenues and Gains	287,278	265,396
Expenses:		
Academic Support	6,000	4,000
University and Sports Promotion and Chapter Development	111,903	159,304
Fund Raising and Promotion	85,845	103,208
Materials and Supplies	23,363	17,692
Management and General	8,809	16,100
Depreciation	117	467
Total Expenses	236,037	300,771
<u>Increase (Decrease) in Unrestricted Net Assets</u>	<u>51,241</u>	<u>(35,375)</u>
<u>Changes in Temporarily Restricted Net Assets</u>		
Contributions & Dues	20,865	8,855
Student Fee Revenue	35,788	35,049
Sponsorships	32,950	16,250
Event Revenue	30,799	40,033
Net Assets Released From Restrictions	(110,804)	(125,254)
<u>Increase (Decrease) in Temporarily Restricted Assets</u>	<u>9,598</u>	<u>(25,067)</u>
<u>Changes in Permanently Restricted Net Assets</u>		
Transfer from ULM Foundation for L-Club	-	53,578
Contributions	3,000	1,800
Interest Income	1,064	1,107
Investment Fees	(699)	(576)
Investment Gain (Loss)	4,654	(13,868)
<u>Increase in Permanently Restricted Assets</u>	<u>8,019</u>	<u>42,041</u>
<u>Increase (Decrease) in Net Assets</u>	<u>68,858</u>	<u>(18,401)</u>
<u>Net Assets at Beginning of Year</u>	<u>291,416</u>	<u>309,817</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 360,274</u>	<u>\$ 291,416</u>

The accompanying notes are an integral part of these financial statements.

UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION
STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2010	2009
<u>Cash Flows From Operating Activities</u>		
Increase (Decrease) in Net Assets	\$ 68,858	\$ (18,401)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	117	467
Decrease in Receivables	-	35
Increase in Accounts Payable	5,110	4,077
Total Adjustments	<u>5,227</u>	<u>4,579</u>
Net Cash Provided (Used) by Operating Activities	74,085	(13,822)
<u>Cash Flows from Investing Activities</u>		
(Increase) Decrease in Investments	<u>(75,951)</u>	<u>34,861</u>
Net Cash Provided (Used) by Investing Activities	(75,951)	34,861
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	(1,866)	21,039
<u>Cash and Cash Equivalents - Beginning of Year</u>	<u>24,032</u>	<u>2,993</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 22,166</u>	<u>\$ 24,032</u>

The accompanying notes are an integral part of these financial statements.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

Note 1 - Summary of Significant Accounting Policies

A. Nature of Activities

The University of Louisiana at Monroe (ULM) Alumni Association (the Association) is a non-profit organization located in Monroe, Louisiana. The ULM Alumni Association serves to foster a spirit of loyalty and fraternalism among graduates, former students, students and friends of the University of Louisiana at Monroe and to achieve unity of purpose and action in promoting the best interests of the University.

The Association seeks to enlist the volunteer involvement of ULM alumni and friends in support for the University as a means of assisting ULM in reaching its full potential as a teaching, research and service institute of higher education in Louisiana.

The Association endeavors to provide the leadership and support services, through its financial and human resources, which will enhance the University's efforts to satisfy the economic, cultural and educational needs of the region, state, and nation.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

C. Basis of Accounting

The financial statements of the University of Louisiana at Monroe Alumni Association have been prepared on the accrual basis and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit Guide for Not-for-Profit Organizations*.

D. Accounting Pronouncement

FASB Accounting Standards Codification (ASC) section 958-205 *Not-for-Profit Entities, Presentation of Financial Statements* establishes standards for external financial reporting by not-for-profit organizations and requires the Association to report information regarding its financial reporting and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. ASC section 958-605 *Not-for-Profit Entities, Revenue Recognition* requires unconditional promises to give – including multiyear promises – be recognized at fair value in the period the promise is made. Conditional promises to give are recognized when they became unconditional. Also, it requires that contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor-imposed restrictions. Contributions are recognized as support when received or when an unconditional promise to give is received.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

Note 1 - Summary of Significant Accounting Policies (continued)

E. Financial Statement Classification

The assets, liabilities, and net assets of the Foundation are reported in one class as follows:

Unrestricted – includes all resources to be used in support of the Association's operations at the sole direction of the Association.

Temporarily Restricted – includes resources received for Wine over Water Fundraiser, 31 Ambassadors and the L-Club. Donations are made specifically for the Wine over Water event and the L-Club. Student fees are charged to go specifically to the 31 Ambassadors.

Board Designated Endowment – includes amounts for the Life Members transferred to be invested with the ULM Foundation's assets for higher returns than normally earned with certificates of deposits. The earnings from these funds are transferred from (to) the ULM Alumni Association for current operations. The original amount of the Life Member will not be invaded except through Board of Director approval.

Permanently Restricted - includes amounts for the L-Club Life Members transferred to be invested with the ULM Foundation's assets for higher returns than normally earned with certificates of deposits. The original amount of the L-Club Life Member will not be invaded except through the L-Club Board of Directors approval.

F. Tax Status

The University of Louisiana at Monroe Alumni Association is a nonprofit corporation exempted from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

G. Functional Allocation of Expenses

The direct costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities. Program services expenses are those directly related to the purposes for which the Alumni Association exists. Supporting services expenses reflect other expenses incurred in operating the programs.

H. Property and Equipment

Property and equipment is recorded at cost or fair market value at date of purchase or donation, respectively. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives range from 5 to 7 years.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

Note 1 - Summary of Significant Accounting Policies (continued)

I. Facility and Staff

The Association occupies without charge office space in the Anna Gray Noe Alumni Building, which is owned by the University of Louisiana at Monroe. No amount has been reflected in the financial statements for the value of the use of the facility. The University also provides staff for the Association's activities and operations, the cost and value of which is not reflected in these financial statements.

J. Cash Flows

For purposes of the statement of cash flows, the Alumni Association considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Note 2 - Art and Collectibles

Art and collectibles consisted of prints by Glen Gore donated to the Association by the ULM Foundation. The prints are stated at the estimated fair value at the time of donation.

Note 3 - Alumni Credit Card Program

During fiscal 2000, the Association negotiated a credit card program whereby the financial institution agreed to provide VISA and MasterCard services to ULM alumni and friends. The program provides various royalties for new accounts and for purchases made with qualifying cards. Net retail purchases range in royalties from .20% up to 1.0% of the purchase amount. The Alumni Association also receives \$1.00 in royalties for each of the accounts that are opened under the program. The Alumni Association is guaranteed a minimum of \$45,000 per year.

The Association recognized fee income during fiscal 2010 and 2009 as follows:

<u>Income</u>	<u>Year Ended</u>	
	<u>2010</u>	<u>2009</u>
Alumni Credit Card Royalty	<u>\$ 45,000</u>	<u>\$ 45,000</u>

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

Note 4 - Temporary Restricted Assets

During fiscal 2006, the Association began receiving contributions and sponsorships specifically dedicated to the Wine over Water event creating the need to account for this event separate from other Alumni activities. At June 30, 2010 and 2009 there was \$1,000 and \$0 temporarily restricted for Wine over Water.

During fiscal 2007, the Association began receiving a student fee assessment specifically dedicated to the 31 Ambassadors. At June 30, 2010 and 2009 there was \$17,323 and \$11,351 temporarily restricted for the 31 Ambassadors.

During fiscal 2009, the Association began receiving contributions specifically dedicated to the ULM L-Club. At June 30, 2010 and 2009, there was \$4,253 and \$1,627 temporarily restricted for the L-Club.

Note 5 - Permanently Restricted Assets

During fiscal 2009, the ULM L-Club was transferred from to the ULM Foundation to the ULM Alumni books. Funds received for Life Member dues are considered to be permanently restricted due to fact that only action of the ULM L-Club board of directors can release them. The ULM Foundation transferred \$53,578 during the year ending June 30, 2009. At June 30, 2010 and 2009, there was \$50,060 and \$42,041 permanently restricted in the L-Club Life Member endowment.

Note 6 - Board Designated Life Member Endowment

During fiscal 1999, the Association through its Board of Directors, established a Life Membership Program. A gift of \$500 per individual qualifies as a life member. Such a member is exempt from future annual dues. Transfers are made to unrestricted from net realized earnings in the endowment. At June 30, 2010 and 2009 there were 318 and 301 lifetime members, respectively.

Balance - July 1, 2009	\$ 119,793
Life Member Transfers	8,800
Investment Earnings (Loss)	15,343
Transfers to Unrestricted	—
Balance - June 30, 2010	<u>\$ 143,936</u>

Note 7 - Subsequent Events

Subsequent events have been evaluated through December 10, 2010, which the day the financial statements were available to be issued, and it has been determined that one significant event has occurred for disclosure. After June 30, 2010, all activity associated with both the temporary and permanently restricted assets of the L-Club were transferred to the ULM Athletic Foundation.